

# **Kentucky Agriculture Resource Development Authority**

## **Meeting Minutes**

**April 13, 1999**

**Bruce Harper, Chair, called the meeting to order at 1:03 p.m., at Kentucky State University in Frankfort.**

### **Members Present:**

Bruce Harper, Chair; Terry Ashby; John Fritz, Jr.; Sharon Furches; Don Girton; John-Mark Hack representing Governor Paul E. Patton; Larry Jeffries; Scott Kuegel; Dean C. Oran Little; George Martin; Glen Massengale; Kathy Peale; Commissioner Billy Ray Smith; Will Southerland; David Switzer; Martha Thompson; and Bettie Wallace.

### **Members Absent:**

Garland Bastin; Morris Cave; Billy Huffines; Richard Jones; Hoppy Lovell; Billy Joe Miles; and Martin Nichols.

### **Others Present:**

Biff Baker, Legislative Research Commission; Dr. Harold Benson, Kentucky State University; Buddy Brown, *The Farmer's Pride*; Eddie Duvall, Kentucky Department of Agriculture; Mark Farrow, Kentucky Department of Agriculture; Jeff Hall, University of Kentucky Ag 2000; Elizabeth Henderson, Wyatt, Tarrant and Combs; Hoppy Henton, USDA-FSA; JK Henshaw, Kentucky Farm Bureau; Janet Patton, *Lexington Herald-Leader*; Louie Rivers, Kentucky State University; Laura Skillman, *Owensboro Messenger-Enquirer*; David Sparrow, University of Kentucky; Mike Stivers, Kentucky Department of Agriculture; Dean Wallace, Council on Burley Tobacco.

### **WELCOME FROM KENTUCKY STATE**

Dr. Harold Benson welcomed the Board to Kentucky State University (KSU). He briefly informed the Board of the need to replace Kentucky State Extension funding, which is in the process of being zeroed out over a period of time as a result of the 1996 Farm Bill. KSU has a land-grant designation, and will need \$4 million annually to replace current funding for research and extension programs. 30% of funds will

be cut in the first year of the phase out, with progressive cuts until funding is zeroed out. The funding level has remained the same for several years. Dr. Benson pointed out KSU's unique Extension role of outreach to small, limited resource farmers and its research emphasis in aquaculture.

## **MINUTES**

Minutes of the January, 1999 meeting were approved as written.

## **TOBACCO TRUST FUND UPDATE**

John-Mark Hack provided the board with a brief update on the progress of the National Tobacco Grower Settlement Trust. The Governor's office is in the process of reviewing nominations submitted for appointed positions on the board of directors for the Kentucky Tobacco Grower and Quota Owner Certification Corporation. The Corporation is the state certification entity charged with making the policy decisions that will effect the distribution of the proceeds of the trust fund. These appointments will be made as soon as possible so that the trust proceeds can be distributed as soon as they are available from the National Trust.

## **AGRICULTURAL DEVELOPMENT DISCUSSION**

George Martin read a prepared statement from the Kentucky Soybean Board requesting consideration for appropriation of tobacco settlement funds. Will Southerland presented the Horticulture Prospectus on the same issue, and the board engaged in a lengthy discussion of these two proposals and others that have been offered from various sectors of the agricultural economy. Chairman Harper mentioned that the horticulture industry in Kentucky is looking for leaders to make a commitment to growing Kentucky's horticulture industry. Doing so will require a significant commitment from industry and government. Commissioner Smith mentioned that the horticulture proposal integrates all aspects of industry development, including production, marketing, research and extension.

John-Mark Hack provided a brief summary of the joint development plan submitted by the state's regional universities, and Commissioner Smith added his perspective on the plan.

Commissioner Smith then provided board members with a briefing on the Department of Agriculture's plan development process. He mentioned that KDA had hosted several meetings to develop plans. The focus of the KDA plan will be on marketing, and will be presented to a group of leaders meeting on April 22 to develop a joint plan for presentation to the Governor and General Assembly. The Commissioner said the tobacco settlement presents a golden opportunity for agricultural entities to have impact on the future of Kentucky, and that a golden opportunity for agriculture is also one for the entire state's economy.

Dean Oran Little told the board that the University's approach has been to constantly listen to all sectors of the farm economy including horticulture, beef cattle, forages, biotechnology, the wood industry, soybeans, aquaculture, and viticulture. He also mentioned soil conservation/water quality cost share programs, educational needs, and cited the need for a mix of short-term and long-term solutions in the development of an agricultural development plan.

JK Henshaw, representing Farm Bureau President Sam Moore, mentioned that Farm Bureau had hosted a meeting on April 1 in an attempt to integrate ideas from across the board.

Scott Kuegel discussed the possibility of creating scholarship programs to provide new opportunities for young people in agriculture. Students majoring in agricultural-related courses of study could be eligible.

John-Mark Hack was asked about the schedule of payments coming through the tobacco settlement. Hack discussed the requirement of state specific finality, and indicated that as of March 15, 67% of states and 43% of states by allocation had approved state specific finality, short of the 80-80 ratio required by the agreement. New York and California have yet to approve the deal, and it's likely that funds will be withheld until the agreement's deadline for state final approval of June 30, 2000.

Sharon Furches reported on recent activities of the Public Relations committee, including KARDA's joint effort with Farm Bureau and KDA to provide an exhibit at the Kentucky School Boards Association annual meeting. She discussed future plans for a KARDA presence at the national FFA convention and the Kentucky School Council Association.

Terry Ashby reported that the Kentucky Poultry Federation was going to be requesting that Phase I funds be used to provide assistance to poultry producers in the construction of litter storage facilities to assist in bringing producers into compliance with the Agriculture Water Quality Authority Act.

Bettie Wallace emphasized the need to address the educational requirements of children and their teachers on the importance of agriculture to Kentucky.

Larry Jeffries mentioned that the forage and livestock industries needs to expand the Grazing Schools now taking place. He noted that only a small percentage of Kentucky's forage base is being fully utilized and that some was of poor quality. The current Grazing Schools have a waiting list of potential participants. There were three one-day programs last fall in Western Kentucky, and three more are scheduled this Spring in Eastern Kentucky.

John Fritz, Jr., asked the Board about the future of tobacco production in Kentucky. He asked how the change in tobacco production was going to occur, how would it impact farm families, and who will it hurt the worst? A future quota cut is likely.

Dean Wallace mentioned that the Council for Burley Tobacco surveyed tobacco producers on what should be spending priorities for Phase I Tobacco Settlement money. The responses represent a good cross-section of rural Kentucky. He expressed concern about research on tobacco production, and noted that tobacco is still the state's top cash crop and is likely to be for some time to come. Kentucky has a competitive advantage in tobacco production with our climate, soils and infrastructure, and affirmed his support for a team-oriented unified approach by agricultural leaders to requesting Phase I funds.

David Switzer mentioned his concerns for educational programs at the high school and college levels, and continuing education for farm families. He stressed the importance of proper funding for the PACE program, research and development in animal health, and how to protect tobacco settlement monies for future appropriations to agriculture.

Glen Massengale reiterated the importance of working together. He stated that branded products represent the future of food production, along with expanded exports, and innovative product areas such as herb production.

Don Girton reminded board members of the potential of the state's woodlands. There's good and bad in Kentucky's woods, and we're not seeing the forest for the trees, Girton said. He supports increased marketing efforts by UK, KDA and the Kentucky Division of Forestry, and noted that production improvements would impact hundreds of thousands of people. Kentucky's 20-40 acre woodlots were under-utilized.

Martha Thompson suggested that the enthusiasm of farm leaders be transferred to farmers.

Kathy Peale reported that KSU will offer an MS degree in Aquaculture, and thanked Commissioner Smith for the money appropriated for aquaculture in KDA's budget. She also mentioned the Black Farmer settlement and that the state could be certifying claims in the settlement.

Dean Little reminded the board of the importance of addressing current problems like blue mold and black shank in tobacco. Without addressing immediate concerns, we will likely lose farmers. He noted that we're paid to think long-term, but that farmers are thinking year-to-year.

Commissioner Smith concurred, and noted that mixing short-term and long-term investments will be the right approach.

Chairman Harper noted that the next scheduled meeting is in July. He encouraged members to maintain contact with their state representatives and senators to support a majority of the tobacco settlement going to agriculture.

With no further discussion, the board adjourned at 4:15 p.m.